



STAFF SUCCESSION PLANNING

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Purpose of Work Session

- Update Council on progress on Council Goal 2.12: Develop Staff Succession Plan
- Provide Recommendations for next steps and seek Council direction

Background

- Many facets to succession planning
 - Review organizational chart and promotional ladders
 - Evaluate employee retention and factors affecting tenure
 - Identify employees' career goals and plan/budget for training
 - Identify opportunities for cross training and job shadowing

Background

- City has relatively flat position hierarchy, which impacts promotion opportunities
- City has enjoyed long employment tenures and high retention, one factor has been Defined Benefit Plan
- 46 employees will be 55+ years old (potentially eligible to retire in 2020); 72 within the next five years. There are 167 FTE's in the City.
- City management supports promoting from within: 40 positions out of approximately 95 vacancies in the past 5 years (42%) were filled internally

Background

- Recruitment and Retention
 - Pay and Benefits
 - Polling of local gov't employees show retirement/pension and health insurance benefits rated higher than wages for Millennials
 - Employee survey results:
 1. Retirement plan named as a reason employees may consider leaving City's employment and one thing that would make the City a better place to work (8 comments)
 2. FG employees less positive than local gov't benchmarks on satisfaction with total benefits package (retirement, health insurance) (-5 gap)
 - All City peers are PERS except Tigard
 - City does not receive many applications from neighboring city employees

City's Retirement Plans

- In response to the employee survey and internal recruitment and retention analysis, the City is reviewing its retirement plans. The City currently maintains three retirement plans with different eligibility requirements and benefit structures:
 - Defined Benefit Plan
 - Defined Contribution Plan
 - PERS

Defined Benefit Plan

- Current eligibility:
 - All police officers and firefighters hired before February 1, 2016
 - IBEW members including new hires
 - Full-time AFSCME and non-represented employees hired before July 1, 2011
 - Full-time non-certified members of the FGPA (support staff) hired before July 1, 2012
- Except for new IBEW employees, the Defined Benefit (DB) Plan is a closed plan (no new members allowed).
- By closing the DB Plan to all new IBEW members, the Plan will eventually terminate. This will take decades.

Defined Contribution Plan

- Current eligibility for City employees:
 - All full-time AFSCME and non-represented employees hired on or after July 1, 2011
 - All full-time non-certified (support staff) members of the FGPA hired on or after July 1, 2012
 - All part-time AFSCME and non-represented employees regularly scheduled to work at least twenty (20) hours per week as of July 1, 2014
 - All part-time FGPA employees regularly scheduled to work at least twenty (20) hours per week hired as of July 1, 2016

PERS

- Public retirement system run by the State of Oregon. Benefits are determined by the employee's membership level in PERS: Tier 1, Tier 2, or OPSRP.
- Current eligibility for City employees:
 - Police officers and firefighters hired on or after February 1, 2016. Includes non-represented police officers and firefighters.

Recommendations

- Review and revise current format for employee goal setting and career goals
- Prepare managers and supervisors for implementation and to identify opportunities to prepare for future vacancies
- Evaluate opportunities for internal promotions when positions vacate
- Identify opportunities for cross-training and job shadowing

Recommendations

- Review City retirement benefits for potential to move existing employees on Defined Contribution Plan and all new employees to PERS (No impact to employees on Defined Benefit Plan)
 - Timing is good to consider this change with IBEW's contract currently open for bargaining.
 - Staff is requesting direction from Council to move forward in completing detailed analysis on potential of moving all current Defined Contribution and all future employees to PERS